

Introduced by Senator Alquist

February 16, 2007

An act to add Part 4 (commencing with Section 1000) to Division 1 of the Health and Safety Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

SB 320, as introduced, Alquist. California Health Care Information Infrastructure Program.

Under existing law, the State Department of Health Care Services, whose functions will be divided between the State Department of Health Care Services and the State Department of Public Health commencing July 1, 2007, and the California Health and Human Services Agency have various responsibilities relating to the provision of health care.

This bill would require the agency, in consultation with the State Department of Health Care Services and the Department of Managed Health Care, to establish and operate the California health care infrastructure program, to improve the quality of health care in California, and to reduce the cost of health care through the advancement of health information technology. The bill would require, within one year of the establishment of the program, and updated annually thereafter, the agency to develop and deliver to the Legislature a plan regarding the opportunity for every resident of the state to have an electronic health care record, and would specify the required contents of the plan. Implementation of the plan would be contingent upon enactment of subsequent statutory authorization. The bill would set forth the other responsibilities of the agency, including, among others, conducting research, implementing pilot projects as necessary, and pursuing a waiver to enable the Medi-Cal program to participate in the statewide information technology infrastructure program.

This bill would authorize the agency to receive various forms of funding to be used, upon appropriation by the Legislature, for purposes of the bill.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares as follows:
- 2 (a) Health care cost inflation, coupled with an aging California
- 3 population, is projected to create potentially unsustainable deficits.
- 4 (b) Employers, governments, and individuals face similar
- 5 financial pressures as health care costs continue to increase faster
- 6 than incomes.
- 7 (c) California has a large uninsured population and opportunities
- 8 to improve the efficiency and quality of care for the underserved.
- 9 (d) Health care providers are poorly equipped, for the most part,
- 10 for the growing crisis. Most health care providers lack the
- 11 information technology and systems necessary to keep pace with
- 12 an increasing body of medical knowledge and patient care data.
- 13 (e) Information technology and systems to help health care
- 14 providers deal with issues associated with coordinating care across
- 15 medical and social models, as well as with other providers, are
- 16 underutilized.
- 17 (f) Information technology and systems designed to assist with
- 18 compliance of health directives with disease prevention and
- 19 management guidelines are underutilized.
- 20 (g) Information technology and systems could assist with
- 21 measuring and improving health care performance and patient
- 22 outcomes.
- 23 (h) Well connected information technology and systems could
- 24 assist in rapidly detecting and responding to bioterrorism and
- 25 pandemics.
- 26 (i) Use of electronic health records could save as much as \$8
- 27 billion annually in California through improvements in health care
- 28 delivery efficiency. Health information technology-enabled
- 29 improvements in disease prevention and management could more
- 30 than double those savings, while lowering age-adjusted mortality
- 31 by as much as 18 percent and reducing annual employee sick days.

1 (j) There is a need to create technician training programs in the
2 community college system to meet the need for a trained health
3 information technology workforce.

4 SEC. 2. Part 4 (commencing with Section 1000) is added to
5 Division 1 of the Health and Safety Code, to read:

6
7 PART 4. HEALTH CARE INFORMATION
8 INFRASTRUCTURE PROGRAM
9

10 1000. For purposes of this part, the following terms shall apply:

11 (a) “Electronic health record” means a secure, real-time,
12 point-of-care, patient-specific information resource that assists a
13 health care provider in making a decision by providing access to
14 the patient’s health information, including a personal health record,
15 when needed, and that incorporates evidence-based decision
16 support.

17 (b) “Personal health record” means an electronic, universally
18 interoperable, resource of health information based upon an
19 individual patient’s health history that is available to the patient
20 throughout his or her life and is needed by an individual to make
21 informed health decisions. The personal health record is stored
22 and maintained in a secure, private environment and only the
23 individual patient may determine rights of access to the record.
24 The personal health record is separate from, and does not replace,
25 the records of a provider.

26 1001. (a) The California Health and Human Services Agency,
27 in consultation with the State Department of Health Care Services,
28 statewide health care information organizations, health care
29 providers and industry, and the Department of Managed Health
30 Care, shall establish and operate the California health care
31 information infrastructure program, as provided in this part. The
32 purposes of the program are to improve the quality of health care
33 in California and to reduce the cost of health care through the
34 advancement of health information technology.

35 (b) Within one year of the establishment of the program, and
36 updated annually thereafter, the California Health and Human
37 Services Agency shall develop and deliver to the Legislature a
38 strategic plan, which shall include the establishment of incentives
39 and standards that foster the adoption and use of electronic health
40 records by health care providers and consumers in the state, and

1 the integration of personal health records for all residents of the
2 state in order to improve health care quality, safety, and efficiency,
3 and to reduce health care costs.

4 (c) The plan shall establish a process for the state to achieve all
5 of the following:

6 (1) The adoption of standards to work in concert with federal
7 health care initiatives.

8 (2) The use of electronic health records and personal health
9 records, which shall be consistent with applicable federal law.

10 (3) The identification of incentives that encourage the adoption
11 and use of personal health records and electronic health records,
12 including a study of alternative Medi-Cal reimbursement strategies,
13 pay-for-performance strategies, and tax incentives.

14 (4) Aligned educational and training programs to produce
15 sufficient and adequately trained health information technology
16 technicians, and other workers.

17 (5) An inventory of state health information technology
18 resources and their potential role in the overall health information
19 infrastructure.

20 (d) Before requiring hospitals and health care systems to make
21 changes necessary to comply with the requirements of an electronic
22 health record system, the plan shall ensure that resources are
23 available for health care providers to comply with the requirement.

24 (e) The implementation of any plan pursuant to this section shall
25 be contingent upon the enactment of subsequent statutory
26 authorization.

27 1002. Responsibilities of the California Health and Human
28 Services Agency in regard to the California health care information
29 infrastructure program shall include, but shall not be limited to,
30 all of the following:

31 (a) Providing leadership in the redesign of health care delivery
32 systems, using information technology to help ensure that every
33 state resident receives care that is safe, effective, patient-centered,
34 timely, efficient, and equitable.

35 (b) Serving as a forum for the exchange of ideas and
36 consensus-building regarding the advancement of health
37 information infrastructure and health care applications.

38 (c) Conducting research to identify innovative health care
39 applications, using information technology and systems to improve
40 patient care and reduce the cost of care, including applications to

1 support disease management, evidence-based care, and personal
2 health management.

3 (d) Upon enactment of subsequent statutory authorization,
4 implementing pilot projects to determine the impact of various
5 health care applications using information technology and systems
6 on the quality of patient care and the cost of health care.

7 (e) Facilitating the adoption of health information technology
8 and systems.

9 (f) Facilitating the integration of the health information
10 infrastructure with other information infrastructure development,
11 to work in concert with other initiatives and privacy standards.

12 (g) Recommending policies and standards to ensure that the
13 security and confidentiality of health information are consistent
14 with applicable federal law.

15 (h) Pursuing a waiver through the State Department of Health
16 Care Services to enable the Medi-Cal program to pay its share of
17 investments in statewide information technology infrastructure,
18 provide financial incentives to providers who use health
19 information technology, and add telemedicine as a covered service.

20 (i) Identifying strategies to accelerate adoption and use of
21 standards-based electronic health records and value-based pay for
22 performance.

23 (j) Facilitating the coordination of appropriate state agencies
24 and departments with regional health information exchange
25 network and monitoring systems to assess adoption patterns and
26 needs.

27 (k) Decreasing the risks of health information technology
28 adoption and networking.

29 (l) Coordinating with private sector initiatives that are consistent
30 with the purposes of the authority.

31 (m) Consulting with consumer privacy organizations to ensure
32 that consumers' private information is protected.

33 (n) Assessing the availability of trained health information
34 technicians and, if necessary, supporting the expansion of
35 appropriate training opportunities in educational systems.

36 1003. The agency may receive federal funds, gifts, grants,
37 revolving funds, and any other public or private funds which, upon
38 appropriation by the Legislature, may be used for the purposes of
39 implementing this part.

1 SEC. 3. The expenditures for implementation of Part 4
2 (commencing with Section 1000) of Division 1 of the Health and
3 Safety Code, as contained in Section 2 of this act, from January
4 1, 2008, to December 31, 2008, inclusive, shall not exceed three
5 hundred and fifty thousand dollars (\$350,000).

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